Attachment 1

CalPERS Forecast Total Risk (1 Standard Deviation) - One Year Horizon
September 30, 2008

Asset Class	Policy Risk Benchmark	Portfolio Risk	Benchmark Risk	Asset/Liability Assumptions
US Equity	PERS2500	15.3%	16.5%	15.5%
International Equity	FTSE All-World xUS 25% hedged	16.6%	17.5%	17.5%
Global Fixed	Global Fixed Income	4.9%	5.1%	6.5%
Real Estate	NCREIF Proxy	19.1%	13.3%	17.0%
Alternative Investment	AIM Benchmark Proxy	25.1%	32.2%	25.0%
Inflation Linked	CPI	11.5%	7.3%	14.0%
Cash	US Dollar	0.5%	0.0%	1.5%
TOTAL FUND	**Total Fund Blended Benchmark**	**10.6%**	**10.3%**	**11.4%**

Total Fund Risk
History of 1 Year Forecast Total Risk